

DIRIGO HEALTH
Plan Implementation Support
Request for Proposals



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INTRODUCTION

OVERVIEW

The Dirigo Health Agency (DHA) is seeking proposals to provide actuarial and benefits consultant services for the DirigoChoice program.

BACKGROUND

In 2003 the State legislature authorized a comprehensive health care reform plan for Maine. One of the cornerstones of that plan is a program of health benefits aimed at expanding coverage through a public/private partnership. This program has become known as DirigoChoice.

DirigoChoice is available to:

- Employees of businesses, non-profits, and municipalities with 50 or fewer employees;
- Individuals (not through an employer) who are not eligible for MaineCare (the State's Medicaid program); and,
- Self-employed of 1 who are not eligible for MaineCare.

More information about Dirigo Health and the DirigoChoice program can be found at <http://www.dirigohealth.maine.gov>.

Demographic

DirigoChoice provides subsidies to individuals and families on a sliding scale up to 300% of Federal Poverty. For example, based on 2005 FPL guidelines, individuals with annual household gross incomes up to \$27,000 and families of 4 with annual household gross incomes of up to \$55,000 qualify for subsidy on a sliding scale.

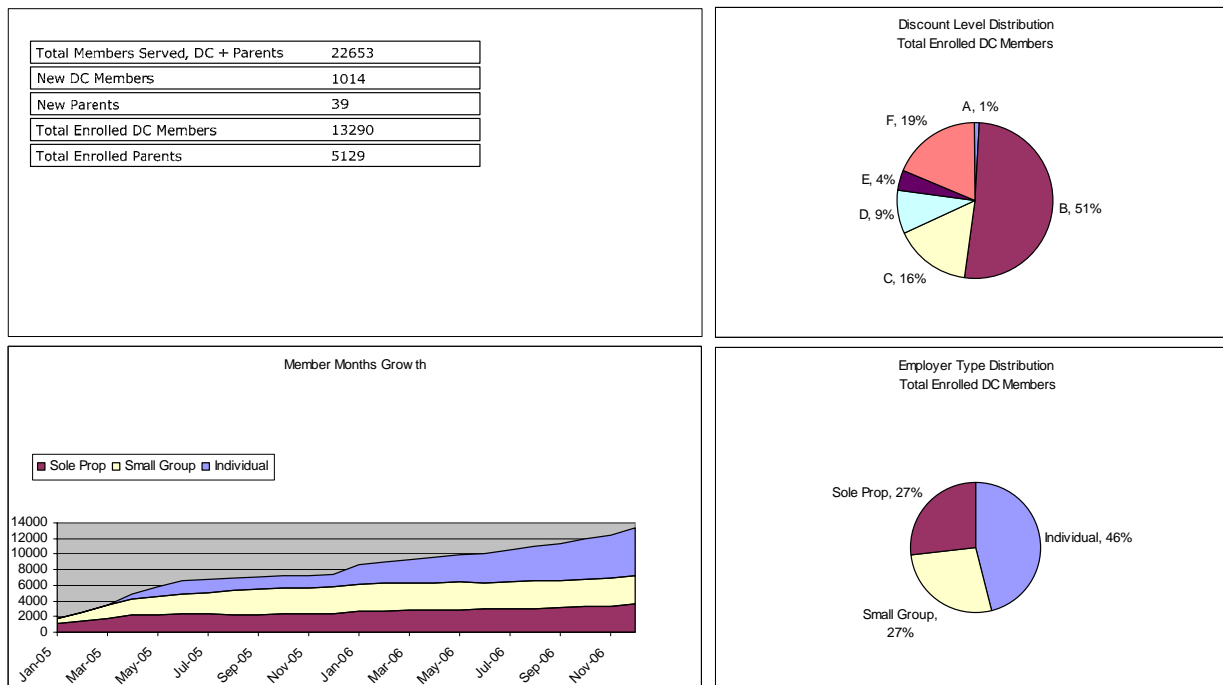
There is a segment of the DirigoChoice population that is eligible for the State Medicaid program, MaineCare. Those members who choose to enroll in DirigoChoice/MaineCare receive the same core benefits (Services covered by MaineCare that are not covered under the commercial plan are provided to this population by the State's designated Medicaid agency, the Department of Health and Human Services (DHHS)) as members enrolled in DirigoChoice.

The existing contractual arrangements for the DirigoChoice program are between the Dirigo Health Agency and Anthem Blue Cross and Blue Shield of Maine and the Department of Health and Human Services and Anthem Blue Cross and Blue Shield of Maine. Additionally, the Dirigo Health Agency and the Department of Health and Human Services have entered into a Memorandum of Understanding which provides the structure for how the two entities work together.

The majority of the DirigoChoice population is eligible for subsidy in contributions, lower deductibles, and lower out-of-pocket costs (the Dirigo Financial Subsidy Program). Members

who are not eligible for financial subsidy are responsible for the full employee portion of the contribution, the deductible, and amounts up to the out-of-pocket limits. .
The enrollment as of December 2006 is outlined below:

Dirigo Health Monthly Numbers December 2006
Reported by Dirigo Health Agency 12/28/2006



Notes:

1. Total Members Served refers to the total number of members ever enrolled (beginning 01/01/2005) for any period of time in the DirigoChoice or MaineCare Parent Expansion programs
2. Total New Members refers to the number of new members enrolled in the reporting month.
3. Total Enrolled Members refers to the number of members currently enrolled in the reporting month.
4. The current report does not include December Parent Expansion numbers.

Contractual Structure

Effective January 1, 2005, the Dirigo Health Agency and the Department of Health and Human Services (Department) entered into a two year contract with Anthem Blue Cross Blue Shield of Maine (Anthem) to offer DirigoChoice. The initial two year contract expired on December 31, 2006. Effective January 1, 2007, the Agency and the Department extended its agreement with Anthem for one year.

The Superintendent of Insurance designated the Agency as an “other group” under 24-A M.R.S.A. § 2808 in 2004. As an “other group,” the Agency is the Group Policy Holder. As the Group Policy Holder, the Agency enters into separate agreements with each policy holder (i.e., each Small Group, Sole Proprietor, or Individual) to offer coverage. Anthem provides the standard insurance administrative functions and holds the risk of the insurance product.

Plan Design

- PPO plan with three options (1) \$1250 deductible, (2) \$1750 deductible, or (3) \$2500 deductible (Individuals and Sole Props are only eligible for options 2 and 3)
- The product encourages members to select a Primary Care Physician and to complete a Health Risk Appraisal.
- Preventive services as defined by Anthem are covered at 100% (in network); Rx subject to three tier copayment structure \$10 generic/\$30 formulary/\$50 non-formulary for up to a 30 day supply. Mail order is available. \$25 office visit co-payment; mental health parity for all; no pre-existing exclusions; no lifetime maximum.
- Anthem's Care Management, Disease Management and SpecialOffers@Anthem™ are included in the product.

Pricing: 2005 through 2006

- The basis for the monthly rates charged for the DirigoChoice product is Anthem's small group adjusted community rating methodology¹. Anthem modifies the community rate for specific DirigoChoice benefits and then increases the rate by an additional 2.5% for what Anthem actuaries consider additional risk associated with an unknown population.
- The Agency established an Experience Modification Program (EMP) for the first two years of the contract. An EMP is a form of experience underwriting not uncommon in start-up association-like plans where the risk of the population is unknown. The EMP protects the DirigoChoice pool from adverse selection. If the experience outcome is more favorable in the DirigoChoice plan and the loss ratio is at or close to 80%, then Anthem returns all or some of the EMP payments to the Agency. In CY05 approximately \$8.0 million was paid in EMP of which \$7.3M was returned to the Agency in the final CY05 EMP settlement. In CY06 approximately \$14 million was paid in EMP. The final settlement for CY06 is in May 2007.
- The unadjusted community rates for DirigoChoice for the fourth quarter (Q4) of calendar year 2006 are:²

1250	One Adult	Two Adults	Two Adults and Child(ren)	One Adult and Child(ren)
	\$364.61	\$765.68	\$1,093.83	\$656.30
1750				

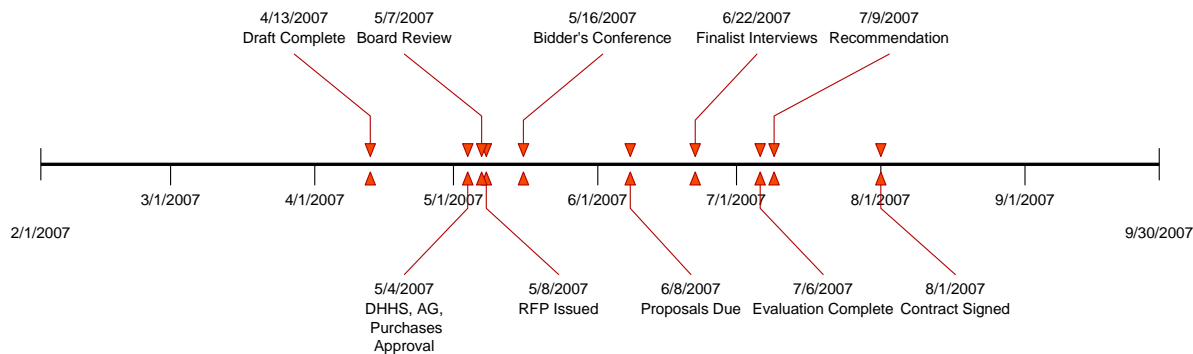
¹ A method of establishing the level of premiums in which the premium is based on the average for the entire block or pool of business. The premium is then adjusted by factors that are specific to a particular group, e.g., age, geographic location, standard industry code (SIC), and firm size.

² Anthem may adjust rates for group size, geography, and age.

	\$337.09	\$707.89	\$1,011.27	\$606.76
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SUMMARY OF KEY EVENTS

DHA reserves the right to adjust any of the following dates.



Proposals Due	Tuesday, March 12th, 2007, 2:00 PM EST
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ACQUIRING OFFICE AND PROJECT ORGANIZATION

The Dirigo Health Agency is the acquiring office.

Contract Administrator:
Karynlee Harrington
Executive Director
Dirigo Health Agency
211 Water Street
Augusta, Maine 04333
karynlee.harrington@maine.gov

GENERAL PROCEDURES AND INSTRUCTIONS

This section contains solicitation procedures, general proposal format information and submission instructions.

GENERAL INFORMATION

This Request for Proposals (RFP) is designed to select a qualified bidder to provide actuarial and benefits consultant services to the Dirigo Health Agency (DHA). DHA is seeking competitive proposals from organizations able to provide technical support for group health benefits and Medicaid Managed Care.

It is the intent of the Agency to select one vendor to function as prime contractor for this project. Proposals must conform to all instructions, conditions, and requirements included in the RFP. Bidders are expected to carefully examine all documentation, schedules, and requirements stipulated in this RFP and respond to each requirement in their proposals in the format prescribed.

TYPE OF CONTRACT

A firm fixed price contract will be awarded as a result of this procurement. In addition to the provisions of this RFP and the winning proposal, which will be incorporated by reference in the resulting contract, any additional clauses or provisions required by federal or state law or regulation in effect at the time of execution of the resulting contract will be included.

The Agency reserves the right to make a contract award without any further discussion with the bidders regarding the proposals received. Therefore, proposals should be submitted initially on the most favorable terms available to the Agency from a price and technical standpoint. The Agency, however, reserves the right to conduct discussions with all responding bidders whose proposals are deemed to have the greatest potential for selection and award.

COMMUNICATIONS WITH STATE STAFF

From the date of issue of this RFP and until a determination is made and announced regarding the selection of a vendor, all contact regarding this RFP except those made pursuant to any pre-existing obligation, with personnel employed or contracted to the State of Maine must be approved in writing by the Contract Manager. The only exception to these restrictions is State personnel involved in oral presentations or personnel interviews.

Violation of this provision may result in disqualification of the bidder's proposal.

Bidders are advised that only the Contract Manager can clarify issues or render any opinion regarding the RFP. No individual member of the Agency, employee of the State or member of the Selection Committee is empowered to make binding statements regarding this RFP. The Contract Manager will issue any clarifications regarding the RFP in writing.

WRITTEN QUESTIONS AND ANSWERS

Any question regarding the meaning of any RFP provision must be submitted in writing to the Contract Manager, in an envelope clearly marked **“DIRIGO HEALTH AGENCY, PLAN IMPLEMENTATION SUPPORT RFP #207021, Procurement Questions”**. Questions may be transmitted by FAX but must include a cover sheet clearly indicating that the transmission is to the attention of the Contract Manager showing the number of pages transmitted, and be clearly marked **“DIRIGO HEALTH AGENCY, PLAN IMPLEMENTATION SUPPORT # 207021, Procurement Questions”**.

Questions may also be sent via email to the Contract Manager (Karynlee.harrington@maine.gov). The State of Maine assumes no liability for assuring accurate/complete FAX or email transmission/receipt and will not acknowledge receipt except by addressing the questions received.

Under no circumstances will questions be entertained except in writing. Questions are due by 5:00 PM, February 23rd, 2007.

The Contract Manager will respond in writing to all substantive questions received. Only those answers received in writing will be considered binding. Any information given to bidders concerning the RFP including written questions and answers will be furnished in writing to all bidders who have received a copy of the RFP from the Contract Manager.

ORAL PRESENTATIONS

At the State's option, oral presentations by bidders may be requested for the purpose of explaining or clarifying characteristics or significant elements of the proposals. Bidders will not be allowed to alter or amend their proposals through the presentation process. Bidders will not be permitted to attend competitor oral presentations. The State reserves the right to require and conduct oral presentations with bidders who submit proposals determined to be reasonably likely of being selected for award.

PERSONNEL INTERVIEWS

At the State's option, personnel proposed by bidders may be requested to participate in a structured interview to determine their understanding of the service requirements, their

authority and reporting relationships within the firm, and any other relevant information. Bidders will not be allowed to alter or amend their proposals through the interview process, nor will they be permitted to attend competitor interviews.

DISCLOSURE OF DATA

According to State procurement law, the content of all proposals, correspondence, addenda, memoranda, working papers or any other medium which discloses any aspect of the Request for Proposals process will be considered public information when the award decision is announced. This includes all proposals received in response to this RFP, both the selected proposal and the proposal(s) not selected and includes information in those proposals that a bidder may consider to be proprietary in nature. Therefore, the State makes no representation that it can or will maintain the confidentiality of such information.

COST OF PROPOSAL PREPARATION

The entire cost for the preparation and submission of a proposal, and the attendance at any oral presentation or personnel interviews will be borne by the bidder.

RIGHTS OF STATE GOVERNMENT

This RFP does not commit the Agency to award a contract, or pay any cost incurred in the preparation of a proposal for this RFP. The Agency reserves the right to reject all proposals, and at its discretion may cancel or amend this RFP at any time. By submitting a proposal in response to this RFP, the bidder grants to the Agency the right to contact or arrange a visit in person with any or all of the bidder's clients. All bidders will be notified in writing after the selection of a successful bidder.

CONTRACT AWARD

The Agency's evaluation will result in the selection of one proposal which, taken as a whole, is the best value to the Agency. After analysis, evaluation and validation of bidder responses, Dirigo Health will notify all bidders of the apparently successful bidder in writing concerning their selection. The Agency may require the selected bidder to participate in contract negotiations and to submit such technical or other revisions to their proposal as may result from negotiations. Upon resolution of the final negotiations, Dirigo Health will prepare a final contract and award, subject to the approval of the State Purchases Review Committee. If for any reason the Agency is unable to obtain an acceptable contract with a selected bidder, that selected bidder will be disqualified. In this event, the Agency may then proceed to negotiate a contract with the bidder with the next highest rated proposal, or may cancel negotiations entirely at the Agency discretion.

It is to be understood by all parties that the negotiated contract award will be made in the best interest of the State and that the award decision will be final. The RFP and the proposal of the successful bidder will be incorporated into and form the basis of a legal contract.

REQUIRED CONTRACTUAL PROVISIONS

There are certain requirements, established by the State, with respect to proposals submitted in response to this RFP. Vendors must thoroughly familiarize themselves with all information and documents contained in this specification. The words “shall”, “must”, and “will” (except when used to denote futurity) will be considered as indicative of a requirement in this RFP. Such requirements are to be considered as material to this procurement and may only be waived in advance of the proposal by the Contract Manager. The contents of the successful proposal(s) will become contractual obligations if procurement action ensues. Failure of the successful Bidder(s) to accept these obligations in a contractual agreement will result in cancellation of the award.

FINANCIAL STABILITY

Evidence of adequate financial stability is a prerequisite to the award of a contract. The Agency reserves the right to request any additional information to assure itself of a bidder's financial status.

TERM

The initial Contract shall begin on the first day after it has been approved and has been fully executed by the parties, and shall expire, unless earlier terminated pursuant to the Contract, at the completion of all specified tasks, and delivery of products and/or services as defined in the Contract, including performance of any warranty/maintenance agreements.

SUBMISSION

A package containing the one (1) original and four (4) duplicate copies (**total of five [5]**) of the Proposal must be delivered by Monday, March 12th, 2007 at 2:00 PM local time to the Division of Purchases at the address given below. The face of the package, whether mailed or hand delivered must bear the following legend,, **“DIRIGO HEALTH AGENCY, Request for Proposal # 207021 for Plan Implementation Support - Confidential - Open by Addressee Only.”**

The original copy of the Proposal (original signature[s] required) will be marked “Original”.

Division of Purchases
Burton M. Cross Building, 4th Floor

111 Sewall Street
9 State House Station
Augusta, ME 04333-0009

The Proposal must be submitted in accordance with the instructions identified below.

Proposals that arrive late will be rejected.

Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to requirements, and completeness and clarity of content. Elaborate proposals are neither necessary nor desirable. If the bidder's proposal is presented in a fashion that makes evaluation difficult or overly time-consuming, it is likely that points will be sacrificed in the evaluation process.

The proposal must be bound on standard 8½" by 11" paper, except that charts, diagrams, and the like, which may be on fold-outs when folded fit into the 8½" by 11" format. All pages must be consecutively numbered, starting with page 1. Figures and tables must be numbered and referenced in the text by that number. They should be placed as close as possible to the referencing text.

An official authorized to legally bind the bidder must sign the proposal.

REJECTION OF PROPOSALS

The Agency reserves the right to reject proposals that contain material deviations from the requirements of this RFP. It is understood that all proposals, whether rejected or not, will become part of the Agency's official file.

REVISION OF REQUEST FOR PROPOSALS

The Agency alone reserves the right to amend the RFP prior to the proposal due date. All bidders who received a copy of the RFP from the Contract Manager will be notified in writing of any amendments to the RFP a minimum of seven (7) days prior to the due date. Should an amendment be issued with fewer than seven (7) days remaining prior to the due date, the due date will be extended. The Agency will not be responsible for any additional costs incurred as a result of any such changes in the RFP.

EVALUATION OF PROPOSALS

DHA will select a bidder through a formal evaluation process, established prior to the opening and evaluation of proposals. Consideration will be given to capabilities or advantages that are clearly described in the proposal, confirmed by oral presentations or interviews if conducted, and verified by information from reference sources contacted by DHA. DHA reserves the right to contact individuals, entities, or organizations that have

had recent dealings with the firm or staff proposed whether or not they are identified as references.

EVALUATION FACTORS AND AWARD POINTS

DHA may designate a selection committee to evaluate all the proposal responses. The selection of a vendor will be based upon consideration from all phases of the evaluation process. Where items do not lend themselves to a strict numerical evaluation, a subjective rating based upon the collective judgment, opinion and experience of the selection committee will be used.

Initial Screening

Initial screening will consist of a review of proposal compliance with the mandatory proposal submission requirements of this RFP. Proposals that do not meet the mandatory proposal submission requirements may be rejected.

Evaluation

Those proposals that pass the initial screening will be evaluated on their abilities to meet the requirements identified in this RFP based upon demonstrated experience, expert qualifications of personnel, and competitive pricing.

The proposal evaluation will consist of three (3) content areas, totaling a potential 100 points. The maximum available points will be distributed as follows:

Evaluation/Content Area	Points
Financial Terms: Proposals will be evaluated on the proposed net costs of the projects identified in the scope section.	25
Experience and Expert Qualifications: Proposals will be evaluated on the demonstrated experience in a cooperative, execution of similarly situated projects/clients; experience and qualifications of consulting personnel.	40
Expected Quality of Service: Proposals will be evaluated on expected responsiveness and accessibility of services; availability of specialty resources; understanding of Maine health care market; understanding of scope of assignment.	35

At DHA's option, top-scoring bidders may be requested to participate in oral presentations and personnel interviews. Following presentations and/or interviews, scored may be adjusted on the basis of information presented in these settings.

The bidder who achieves the highest rating, that is, the proposal that represents the best value to the State and its agents will be awarded the contract subject to successful contract negotiations and required contract approvals.

SCOPE

The following describes the effort required by the Agency:

The effort will be broken into four stages:

1. **Definition and planning:** Between contract signing and April there will be work to formalize the strategy for going to market as well as legislative activity that will affect the RFP. The deliverables of this phase will be:
 - a. strategy summary
 - b. criteria for evaluating partners
 - c. planned RFP table of contents
 - d. project plan for final RFP deliverable
2. **Implementation:** With some time overlap of the above, this work will be the preparation of the RFP document and the associated materials. The deliverables of this phase will be:
 - a. Request for Proposal
 - b. Participation in Bidders Conference
3. **Evaluation of Bids:** Formal evaluation with a recommendation for the Agency
 - a. Actuarial analysis of bids
 - b. Support review team
4. **Negotiation with Vendor**

QUESTIONNAIRE

QUESTIONNAIRE INSTRUCTIONS

This section provides information on project requirements and the format for the proposal. Bidder responses to this section must clearly differentiate, where appropriate between current capabilities and proposed personnel, systems, or service enhancements.

The questionnaire section is organized in the following subsections:

- A. Account Management, Qualifications of Personnel and Experience
- B. Clinical Review, Quality Improvement, and Value-Based Purchasing

- C. Prescription Drug
- D. Challenges and Opportunities
- E. Medicaid
- F. Scope Response
- G. Financial

Responses to these subsections must be complete and as succinct as possible.

ACCOUNT MANAGEMENT, QUALIFICATIONS OF PERSONNEL AND EXPERIENCE

1. Describe your company's organization, client philosophy, management and provide a brief history. Describe your contractual relationships, if any, with organizations necessary to your full support of the State's projects (e.g., actuarial services, clinical staff, data information services, etc.).

2. Confirm that consultants serving the State of Maine are members of either the Society of Actuaries or the American Academy of Actuaries. Confirm that your organization holds a valid and current license with the State of Maine Department of Professional and Financial Regulation. Provide documentation of the State of Maine license.

3. Confirm that your organization serves as an independent consultant absent affiliations with insurance companies, managed care organizations, third party administrators, or provider network.

4. Identify the individual who will serve as the managing consultant for the State of Maine account. Identify all other personnel who will be assigned to service this account. What office(s) would service the State?

5. Provide resumes for each of the individuals cited in the response to Question 4.

6. Describe your organization's experience, understanding and capabilities designing programs to increase access and specifically target the uninsured. Provide specific examples of recent projects with which you were engaged.

7. Provide a representative list of current clients, including other state employee access initiatives, other public sector groups, and other large employers. Provide a listing of Maine clients and outline the work you have performed for these organizations. Provide four client references, including contact name and telephone number.

8. Describe your experience and familiarity with the Maine health care market.

9. Confirm your ability to meet each of the service requirements outlined below:

- ☐ Provide actuarial services and underwriting review of health plans to ensure appropriate premium, retention, and reserve levels.

- ❑ Analyze competitive bid proposals for DHA
- ❑ Support DHA in negotiations with vendors for group health insurance and other related contracts.
- ❑ Provide analysis of financial and administrative consequences of federal/state proposals, laws or regulations affecting the current group health plan.
- ❑ Support DHA in the development and implementation of quality measurements/standards for inclusion in managed care contract.
- ❑ Provide analysis of financial and plan design issues including plan-funding alternatives, revision of benefit design features, and contracting analysis.

10. The proposal must include a narrative description of the consultant's understanding of the requirements set forth in this RFP. The narrative should clearly define any technical requirements that are deemed necessary, but not identified herein. The extent of the respondent's understanding of the nature of these responsibilities will have a bearing upon the evaluation of the proposal.

11. Bidders must include financial documentation to demonstrate their financial stability. The Agency reserves the right to request any additional information to assure itself of a bidder's financial status.

CLINICAL REVIEW, QUALITY IMPROVEMENT, AND VALUE-BASED PURCHASING

1. Describe your recommended approach to improving healthcare quality based upon clinical audit findings.
2. Describe your recommendations to identify potential quality of care issues to improve healthcare delivery.
3. Describe your approach to evaluating the impact and process of disease management and case management programs.
4. How do you work with clients to identify the highest value healthcare quality improvement opportunities for the client's enrollees? Describe how you have helped clients identify and implement appropriate strategies.
5. Given your understanding of the Maine health care market, identify opportunities you would suggest DHA to consider for future quality improvement projects.
6. Explain your organization's participation in employee education campaigns designed

to communicate health benefits, to impart the message that “quality counts”, and to engage members in a dialogue on more selective provider networks based upon quality of care/patient safety. Provide samples of communications materials developed and prepared by your organization.

7. Confirm whether or not any of your clients are members of the Leapfrog Group. What, if any, support and services has your organization provided to clients to implement Leapfrog’s purchasing principles?

10. How do you define your role as a health benefits consultant in supporting and assisting clients in introducing value-based purchasing strategies and techniques?

11. Considering Maine’s health care market, what specific recommendations would you propose that DHA contemplate to facilitate a long-term value-based purchasing strategy? Are there successful models that you would identify for DHA to consider?

PRESCRIPTION DRUG BENEFITS

1. Assuming that DHA can provide you with detailed historical prescription drug claims data, what specific data elements would you require in order to evaluate utilization, payment trends and clinical appropriateness?

2. Describe the approach you would recommend to DHA to assess prescription drug benefit design, including strategies to improve physician decision-making guidelines, integration with disease management programs, and member education.

3. Identify the key personnel who would be assigned to projects related to the prescription drug benefit program and describe their recent experience performing similar assignments.

4. Describe any innovative prescription drug benefit design and management strategies that you have been engaged in.

CHALLENGES AND OPPORTUNITIES

DHA expects that its health benefits consultant will provide analysis of industry trends, insights into emerging purchaser strategies, strategies for expanding access and targeting the uninsured as well as recommendations to facilitate DHA’s mission, vision, and goals. While there are immediate issues to consider, there is also the need for longer-term assessments and planning.

1. Describe the challenges and opportunities, as you view them, confronting the State of Maine in the upcoming two years specific to expanding access with a focus on reaching the uninsured and describe how your organization can assist the State in responding to those challenges and opportunities.

1. What makes your organization uniquely different from other organizations that may submit proposals for the State of Maine's consideration?

MEDICAID

The Dirigo legislation stipulates that a Carrier providing benefits must qualify as a health plan in Medicaid.

The legislation further defines this requirement to mean the Carrier must have a contract with the Department of Health and Human Services (DHHS) to provide MaineCare covered services to individuals enrolled in the Dirigo Health plan and MaineCare. The Carrier and DHS, through this contractual relationship, must meet the requirements of 42 Code of Federal Regulations, Part 438 (2002).

“MaineCare covered services” means the provisions of the State Medicaid Plan approved under Title XIX of the Social Security Act, 42 U.S.C. §1396 et seq., the State Child Health Plan approved under Title XXI of the Social Security Act, 42 U.S.C. §1397 et seq. relating to the furnishing of covered items and services to each enrolled child, 42 Code of Federal Regulations Chapter IV, and the MaineCare Benefits Manual (www.state.me.us/sos/cec/rcn/apa/10/ch101.htm).

1. Describe in detail your understanding of State Medicaid managed care contracts and experience working within Maine or in other states with Medicaid programs.
2. Identify the key personnel who would be assigned to projects related Medicaid program design and contracting and describe their recent experience performing similar assignments.

SCOPE

Describe in detail how you will provide services addressing the effort described in the Scope section above.

FINANCIAL

In this section the bidder must provide a fixed price quote for the services described in its response to the Scope section of the Questionnaire.

APPENDIX 1 – SAMPLE STATE CONTRACT

Page 1 of _____

Agreement No:

STATE OF MAINE
DEPARTMENT OF _____
Agreement to Purchase Services

THIS AGREEMENT, made this _____ day of _____, _____, is by and between the State of Maine, _____, hereinafter called "Department," and _____, located at _____, telephone number _____, hereinafter called "Provider", for the period of _____ to _____.

The Employer Identification Number of the Provider is _____

WITNESSETH, that for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the Department, the Provider hereby agrees with the Department to furnish all qualified personnel, facilities, materials and services and in consultation with the Department, to perform the services, study or projects described in Rider A, and under the terms of this Agreement. The following riders are hereby incorporated into this Agreement and made part of it by reference:

Rider A - Specifications of Work to be Performed
Rider B - Payment and Other Provisions
Rider C – Exceptions
Rider G – Provision of Contract Services by Foreign Nationals or Work

Performed Abroad

IN WITNESS WHEREOF, the Department and the Provider, by their representatives duly authorized, have executed this agreement in _____ original copies.

DEPARTMENT OF

By:

Name and Title, Department Representative

and

By:

Name and Title, Provider Representative

Total Agreement Amount: \$ _____

Approved:

State Controller
Committee

Chair, State Purchases Review

BP54 (Rev 6/04)

MFASIS ACCOUNT CODING

VENDOR CODE	DOC TOTAL	FND	AGY	ORG	SUB ORG	APPR	ACTIVITY	OBJ	SUB ORG	JOB NO.	REPT. CATG.

VENDOR CODE	DOC TOTAL	FND	AGY	ORG	SUB ORG	APPR	ACTIVITY	OBJ	SUB ORG	JOB NO.	REPT. CATG.

VENDOR CODE	DOC TOTAL	FND	AGY	ORG	SUB ORG	APPR	ACTIVITY	OBJ	SUB ORG	JOB NO.	REPT. CATG.

VENDOR CODE	DOC TOTAL	FND	AGY	ORG	SUB ORG	APPR	ACTIVITY	OBJ	SUB ORG	JOB NO.	REPT. CATG.

VENDOR CODE	DOC TOTAL	FND	AGY	ORG	SUB ORG	APPR	ACTIVITY	OBJ	SUB ORG	JOB NO.	REPT. CATG.

VENDOR CODE	DOC TOTAL	FND	AGY	ORG	SUB ORG	APPR	ACTIVITY	OBJ	SUB ORG	JOB NO.	REPT. CATG.

RIDER A
SPECIFICATIONS OF WORK TO BE PERFORMED

RIDER B
METHOD OF PAYMENT AND OTHER PROVISIONS

1. **AGREEMENT AMOUNT** \$ _____
2. **INVOICES AND PAYMENTS** _____ The Department will pay the provider as follows:

Payments are subject to the Provider's compliance with all items set forth in this Agreement and subject to the availability of funds. The Department will process approved payments within 30 days.

3. **BENEFITS AND DEDUCTIONS** If the Provider is an individual, the Provider understands and agrees that he/she is an independent contractor for whom no Federal or State Income Tax will be deducted by the Department, and for whom no retirement benefits, survivor benefit insurance, group life insurance, vacation and sick leave, and similar benefits available to State employees will accrue. The Provider further understands that annual information returns, as required by the Internal Revenue Code or State of Maine Income Tax Law, will be filed by the State Controller with the Internal Revenue Service and the State of Maine Bureau of Revenue Services, copies of which will be furnished to the Provider for his/her Income Tax records.

4. **INDEPENDENT CAPACITY** _____ In the performance of this Agreement, the parties hereto agree that the Provider, and any agents and employees of the Provider shall act in the capacity of an independent contractor and not as officers or employees or agents of the State.

5. **DEPARTMENT'S REPRESENTATIVE** The Agreement Administrator shall be the Department's representative during the period of this Agreement. He/she has authority to curtail services if necessary to ensure proper execution. He/she shall certify to the Department when payments under the Agreement are due and the amounts to be paid. He/she shall make decisions on all claims of the Provider, subject to the approval of the Commissioner of the Department.

6. **AGREEMENT ADMINISTRATOR** _____ All progress reports, correspondence and related submissions from the Provider shall be submitted to:

Name: _____

Title: _____
Address: _____

who is designated as the Agreement Administrator on behalf of the Department for this Agreement, except where specified otherwise in this Agreement.

7. **CHANGES IN THE WORK** The Department may order changes in the work, the Agreement Amount being adjusted accordingly. Any monetary adjustment or any substantive change in the work shall be in the form of an amendment, signed by both parties and approved by the State Purchases Review Committee. Said amendment must be effective prior to execution of the work.

8. **SUB-AGREEMENTS** Unless provided for in this Agreement, no arrangement shall be made by the Provider with any other party for furnishing any of the services herein contracted for without the consent and approval of the Agreement Administrator. Any sub-agreement hereunder entered into subsequent to the execution of this Agreement must be annotated "approved" by the Agreement Administrator before it is reimbursable hereunder. This provision will not be taken as requiring the approval of contracts of employment between the Provider and its employees assigned for services thereunder.

9. **SUBLETTING, ASSIGNMENT OR TRANSFER** The Provider shall not sublet, sell, transfer, assign or otherwise dispose of this Agreement or any portion thereof, or of its right, title or interest therein, without written request to and written consent of the Agreement Administrator. No subcontracts or transfer of agreement shall in any case release the Provider of its liability under this Agreement.

10. **EQUAL EMPLOYMENT OPPORTUNITY** During the performance of this Agreement, the Provider agrees as follows:

a. The Provider shall not discriminate against any employee or applicant for employment relating to this Agreement because of race, color, religious creed, sex, national origin, ancestry, age, physical or mental disability, or sexual orientation, unless related to a bona fide occupational qualification. The Provider shall take affirmative action to ensure that applicants are employed and employees are treated during employment, without regard to their race, color, religion, sex, age, national origin, or physical or mental disability or sexual orientation.

Such action shall include but not be limited to the following: employment, upgrading, demotions, or transfers; recruitment or recruitment advertising; layoffs or terminations; rates of pay or other forms of compensation; and selection for training including apprenticeship. The Provider agrees to post in conspicuous places available to employees and applicants for employment notices setting forth the provisions of this nondiscrimination clause.

b. The Provider shall, in all solicitations or advertising for employees placed by or on behalf of the Provider relating to this Agreement, state that all qualified applicants shall receive consideration for employment without regard to race, color, religious creed, sex, national origin, ancestry, age,

physical or mental disability or sexual orientation.

c. The Provider shall send to each labor union or representative of the workers with which it has a collective bargaining agreement, or other agreement or understanding, whereby it is furnished with labor for the performance of this Agreement a notice to be provided by the contracting agency, advising the said labor union or workers' representative of the Provider's commitment under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

d. The Provider shall inform the contracting Department's Equal Employment Opportunity Coordinator of any discrimination complaints brought to an external regulatory body (Maine Human Rights Commission, EEOC, Office of Civil Rights) against their agency by any individual as well as any lawsuit regarding alleged discriminatory practice.

e. The Provider shall comply with all aspects of the Americans with Disabilities Act (ADA) in employment and in the provision of service to include accessibility and reasonable accommodations for employees and clients.

f. Contractors and subcontractors with contracts in excess of \$50,000 shall also pursue in good faith affirmative action programs.

g. The Provider shall cause the foregoing provisions to be inserted in any subcontract for any work covered by this Agreement so that such provisions shall be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

11. **EMPLOYMENT AND PERSONNEL** The Provider shall not engage any person in the employ of any State Department or Agency in a position that would constitute a violation of 5 MRSA § 18 or 17 MRSA § 3104. The Contractor shall not engage on a full-time, part-time or other basis during the period of this Agreement, any other personnel who are or have been at any time during the period of this Agreement in the employ of any State Department or Agency, except regularly retired employees, without the written consent of the State Purchases Review Committee. Further, the Provider shall not engage on this project on a full-time, part-time or other basis during the period of this Agreement any retired employee of the Department who has not been retired for at least one year, without the written consent of the State Purchases Review Committee. The Provider shall cause the foregoing provisions to be inserted in any subcontract for any work covered by this Agreement so that such provisions shall be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

12. **STATE EMPLOYEES NOT TO BENEFIT** No individual employed by the State at the time this Agreement is executed or any time thereafter shall be admitted to any share or part of this Agreement or to any benefit that might arise therefrom directly or indirectly that would constitute a violation of 5 MRSA § 18 or 17 MRSA § 3104. No other individual employed by the State at the time this Agreement is executed or any time thereafter shall be admitted to any share or part of this Agreement or to any benefit that might arise therefrom directly or indirectly due to his employment by or financial interest

in the Provider or any affiliate of the Provider, without the written consent of the State Purchases Review Committee. The Provider shall cause the foregoing provisions to be inserted in any subcontract for any work covered by this Agreement so that such provisions shall be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

13. **WARRANTY** The Provider warrants that it has not employed or contracted with any company or person, other than for assistance with the normal study and preparation of a proposal, to solicit or secure this Agreement and that it has not paid, or agreed to pay, any company or person, other than a bona fide employee working solely for the Provider, any fee, commission, percentage, brokerage fee, gifts, or any other consideration, contingent upon, or resulting from the award for making this Agreement. For breach or violation of this warranty, the Department shall have the right to annul this Agreement without liability or, in its discretion to otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

14. **ACCESS TO RECORDS** The Provider shall maintain all books, documents, payrolls, papers, accounting records and other evidence pertaining to this Agreement and make such materials available at its offices at all reasonable times during the period of this Agreement and for such subsequent period as specified under Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP) rules. The Provider shall allow inspection of pertinent documents by the Department or any authorized representative of the State of Maine or Federal Government, and shall furnish copies thereof, if requested.

15. **TERMINATION** The performance of work under the Agreement may be terminated by the Department in whole, or in part, whenever for any reason the Agreement Administrator shall determine that such termination is in the best interest of the Department. Any such termination shall be effected by delivery to the Provider of a Notice of Termination specifying the extent to which performance of the work under the Agreement is terminated and the date on which such termination becomes effective. The Agreement shall be equitably adjusted to compensate for such termination, and modified accordingly.

16. **GOVERNMENTAL REQUIREMENTS** The Provider warrants and represents that it will comply with all governmental ordinances, laws and regulations.

17. **GOVERNING LAW** This Agreement shall be governed in all respects by the laws, statutes, and regulations of the United States of America and of the State of Maine. Any legal proceeding against the State regarding this Agreement shall be brought in State of Maine administrative or judicial forums. The Provider consents to personal jurisdiction in the State of Maine.

18. **STATE HELD HARMLESS** The Provider agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims, costs, expenses, injuries, liabilities, losses and damages of every kind and description (hereinafter in this paragraph referred to as "claims") resulting from or arising out of the performance of this Agreement by the Provider, its employees, agents, or subcontractors. Claims to which this indemnification applies include, but without limitation, the following: (i) claims suffered or incurred by any contractor, subcontractor, materialman, laborer and any other person, firm, corporation or other legal entity (hereinafter in this

paragraph referred to as “person”) providing work, services, materials, equipment or supplies in connection with the performance of this Agreement; (ii) claims arising out of a violation or infringement of any proprietary right, copyright, trademark, right of privacy or other right arising out of publication, translation, development, reproduction, delivery, use, or disposition of any data, information or other matter furnished or used in connection with this Agreement; (iii) Claims arising out of a libelous or other unlawful matter used or developed in connection with this Agreement; (iv) claims suffered or incurred by any person who may be otherwise injured or damaged in the performance of this Agreement; and (v) all legal costs and other expenses of defense against any asserted claims to which this indemnification applies. This

indemnification does not extend to a claim that results solely and directly from (i) the Department's negligence or unlawful act, or (ii) action by the Provider taken in reasonable reliance upon an instruction or direction given by an authorized person acting on behalf of the Department in accordance with this Agreement.

19. **NOTICE OF CLAIMS** The Provider shall give the Contract Administrator immediate notice in writing of any legal action or suit filed related in any way to the Agreement or which may affect the performance of duties under the Agreement, and prompt notice of any claim made against the Provider by any subcontractor which may result in litigation related in any way to the Agreement or which may affect the performance of duties under the Agreement.

20. **APPROVAL** This Agreement must have the approval of the State Controller and the State Purchases Review Committee before it can be considered a valid, enforceable document.

21. **LIABILITY INSURANCE** The Provider shall keep in force a liability policy issued by a company fully licensed or designated as an eligible surplus line insurer to do business in this State by the Maine Department of Professional & Financial Regulation, Bureau of Insurance, which policy includes the activity to be covered by this Agreement with adequate liability coverage to protect itself and the Department from suits. Providers insured through a "risk retention group" insurer prior to July 1, 1991 may continue under that arrangement. Prior to or upon execution of this Agreement, the Provider shall furnish the Department with written or photocopied verification of the existence of such liability insurance policy.

22. **NON-APPROPRIATION** Notwithstanding any other provision of this Agreement, if the State does not receive sufficient funds to fund this Agreement and other obligations of the State, if funds are de-appropriated, or if the State does not receive legal authority to expend funds from the Maine State Legislature or Maine courts, then the State is not obligated to make payment under this Agreement.

23. **SEVERABILITY** The invalidity or unenforceability of any particular provision or part thereof of this Agreement shall not affect the remainder of said provision or any other provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision or part thereof had been omitted.

24. **INTEGRATION** All terms of this Agreement are to be interpreted in such a way as to be consistent at all times with the terms of Rider B (except for expressed exceptions to Rider B included in Rider C), followed in precedence by Rider A, and any remaining Riders in alphabetical order.

25. **FORCE MAJEURE** The Department may, at its discretion, excuse the performance of an obligation by a party under this Agreement in the event that performance of that obligation by that party is prevented by an act of God, act of war, riot, fire, explosion, flood or other catastrophe, sabotage, severe shortage of fuel, power or raw materials, change in law, court order, national defense requirement, or strike or labor dispute, provided that any such event and the delay caused thereby is beyond the control of, and could not reasonably be avoided by, that party. The Department may, at its discretion, extend the time period for performance of the obligation excused under this section by the period of the excused delay together with a reasonable period to reinstate compliance with the terms of this Agreement.

26. **SET-OFF RIGHTS** The State shall have all of its common law, equitable and statutory rights of set-off. These rights shall include, but not be limited to, the State's option to withhold for the purposes of set-off any monies due to the Provider under this Agreement up to any amounts due and owing to the State with regard to this Agreement, any other Agreement, any other Agreement with any State department or agency, including any Agreement for a term commencing prior to the term of this Agreement, plus any amounts due and owing to the State for any other reason including, without limitation, tax delinquencies, fee delinquencies or monetary penalties relative thereto. The State shall exercise its set-off rights in accordance with normal State practices including, in cases of set-off pursuant to an audit, the finalization of such audit by the State agency, its representatives, or the State Controller.

27. **ENTIRE AGREEMENT** This document contains the entire Agreement of the parties, and neither party shall be bound by any statement or representation not contained herein. No waiver shall be deemed to have been made by any of the parties unless expressed in writing and signed by the waiving party. The parties expressly agree that they shall not assert in any action relating to the Agreement that any implied waiver occurred between the parties which is not expressed in writing. The failure of any party to insist in any one or more instances upon strict performance of any of the terms or provisions of the Agreement, or to exercise an option or election under the Agreement, shall not be construed as a waiver or relinquishment for the future of such terms, provisions, option or election, but the same shall continue in full force and effect, and no waiver by any party of any one or more of its rights or remedies under the Agreement shall be deemed to be a waiver of any prior or subsequent rights or remedy under the Agreement or at law.

RIDER G
PROVISION OF CONTRACT SERVICES BY FOREIGN NATIONALS OR WORK
PERFORMED ABROAD

The Maine Legislature has asked the Division of Purchases³ to determine the country where contracted services will be performed.

The following contract/amendment has been executed with the State of Maine.

1	Division of Purchases Contract Reference
2	Contractor Name
< highlight and enter the Name of the Contractor >	
3	Brief Contract Service Description
< highlight and enter a Brief Description of the Service Provided >	

So that we may comply with the Legislature's request, please provide responses to the following questions. To successfully complete the questionnaire be alert for follow-up entries if certain responses are made. Please show your responses in the spaces provided. You may mark any box with ☒ using your computer, keyboard & mouse. Highlight the box (☐) with your cursor and type a lowercase "x." If additional entries are needed, type to the right of the mark (>) shown in questions 1 and 3.

1. Will any of the services described in the contract's scope of work be performed outside of the United States of America?

- ☐ No. *Go to Q.3.*
☐ Yes. *If "Yes," show in what country(ies) below and Continue w/Q.2 and Q3.*
 >

2. If you responded "Yes," above, who will perform any of the services described in the contract's scope of work?

- ☐ Citizens of the USA living abroad. ☐ Foreign nationals.

3. In what US state or foreign country is your firm incorporated?

>

Name of the Person Submitting the Information	Voice Phone Number

Thank you for completing this information. You may send the completed form by email to the Division of Purchases [Jerry.Nault@maine.gov] or return it by telephone facsimile [207/287-6578] in addition to a response by regular post [9 State House Station, Augusta, ME 04333-0009].

Notification of Changes to the Information

³ Resolve, Chapter 16, First Special Session-2005.

A provision of the Resolve requires service providers to notify the Division of Purchases of any changes to this information. That notification may be sent to the address shown above and should reference the Purchases File Number.